

North East Derbyshire District Council

Council

6 March 2023

Members Allowances

Report of the Assistant Director of Governance and Monitoring Officer

Classification: This report is public

Report By: Sarah Sternberg sarah.sternberg@ne-derbyshire.gov.uk

Contact Officer: Lisa Ingram lisa.ingram@ne-derbyshire.gov.uk

PURPOSE / SUMMARY

To consider whether there should be an increase in Members' Allowances in 2022/23 and what that increase should be as the mechanism in the Members' Allowances Scheme isn't engaged by the employees pay award.

RECOMMENDATIONS

The IRP makes the following recommendations to Council:

1. That both the Basic Allowance and the Special Responsibility Allowances should be increased by 4.04%.
2. That the increase should be backdated to 1st April 2022
3. That the Members' Allowances Scheme be amended to include an alternative mechanism for increasing the allowances of linking the increase to the percentage increase in scale point 43 of the employee pay scales.

IMPLICATIONS

Finance and Risk: Yes No

Details:

In increasing the Basic Allowance and SRA's in line with the alternative mechanism for increasing the allowances there will be an overall increase in expenditure of £17,701 for the 2022/23 financial year.

On Behalf of the Section 151 Officer

Legal (including Data Protection): Yes No

Details:

By law the Council is required to consider a report from an Independent Remuneration Panel (IRP) before considering any change to the Members' Allowances Scheme. For the reasons in the report, the Council now needs to consider whether there should be an increase in the current allowances levels and if so whether it should be backdated to 1st April 2022. In addition Council is being asked to amend the Members' Allowances Scheme with regard to how this increase is applied.

The Local Authorities (Members' Allowances) (England) Regulations 2003 as amended, contain the rules.

The Members of the Independent Remuneration Panel have agreed to make a recommendation to Council to increase Members' Allowances for Members to consider.

On Behalf of the Solicitor to the Council

Staffing: Yes No

Details:

On behalf of the Head of Paid Service

DECISION INFORMATION

Decision Information	
Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: NEDDC: Revenue - £100,000 <input type="checkbox"/> Capital - £250,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
District Wards Significantly Affected	None
Consultation: Leader / Deputy Leader <input type="checkbox"/> Cabinet <input type="checkbox"/> SMT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	No Details:

Links to Council Plan priorities, including Climate Change, Equalities, and Economics and Health implications.

None

REPORT DETAILS

1 Background

- 1.1 Council approved the current Members' Allowances Scheme in April 2022.
- 1.2 This Scheme, which is contained within the Council's Constitution, provides for an annual increase in the Members' Allowances based on the percentage increase in the employee pay award. This would normally mean an automatic increase in the allowances without the need for a Council decision, each year.
- 1.3 This year, the employee pay scales were increased by a flat rate £1925.
- 1.4 As this is not within the Scheme, it is necessary for an Independent Remuneration Panel to recommend to Council how the Members' Allowances should be increased.
- 1.5 It is then for Council to decide whether the recommendations of the Independent Remuneration Panel will be accepted.

2. Details of Proposal or Information

- 2.1 The members of the Independent Remuneration Panel were (as in 2022):
 - Mrs. Ruth Jaffray JP
 - Mr. Ian Kirk, Independent Person for a neighbouring District
 - Mr. Stephen Wainwright, Independent Person for a neighbouring District
- 2.2 The Panel was supported by Sarah Sternberg, the Monitoring Officer and Lisa Ingram the Deputy Monitoring Officer.
- 2.3 The Panel met on the 20th February to consider the issue of any increase to be applied to Members' Allowances in the light of the employee pay award and that the Members' Allowances Scheme did not account for the situation.
- 2.4 The IRP were provided with the following:
 - The current Members Allowances' Scheme.
 - The salary scales for NEDDC following the pay award of £1925 this year. This shows the % increase this gives to each salary grade
 - The average of the percentage increases for employees is 6.2%
 - The CPI in January 2023 for the UK is 10.5%
 - The percentage increases of a number of Councils.

- 2.5 Considering this information and after discussing the matter the IRP concluded that it should recommend 4.04% increase for the year 1st April 2022 to 31st March 2023 and that the increase should be backdated to 1st April 2022.
- 2.6 As the current Members' Allowances Scheme does not cover the situation encountered this year in relation to a flat rate increase for employees, the IRP has also recommended changing the Scheme to give an alternative increase based on scale point 43 of the employees' pay scales where it is not an overall percentage increase to scale points. This is in addition to the existing mechanism of applying the percentage increase and enables whichever is appropriate to be applied.

3 Reasons for Recommendation

- 3.1 The IRP wished to maintain the Members' Allowances as near as possible at the same level as agreed in 2022 when the whole Scheme was reviewed.
- 3.2 Whilst wishing to achieve this, the IRP was conscious of balancing the increases proposed against the cost of the increase for the tax payer. They were very conscious of the current Cost of Living crisis.
- 3.3 In making their recommendation, the increases being recommended by other IRPs to other Councils were taken into account. The proposed increase was neither the highest nor the lowest but in the middle of proposed increases.
- 3.4 That the proposed amendment to the Scheme would future proof the Scheme by ensuring increases can be applied automatically as was intended in the 2022 review.
- 3.5 That the IRP believe their recommendations are realistic.

4 Alternative Options and Reasons for Rejection

- 4.1 Not to recommend an increase. This was rejected as it neither accounted for the Cost of Living Increases for Members nor did it address the fact that the current Scheme includes a mechanism for increasing the Allowances each year which this year could not be used.

DOCUMENT INFORMATION

Appendix No	Title
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet you must provide copies of the background papers)	
None	